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SIDE BY SIDE REVIEW OF THE COMMERCIAL SPACE LAUNCH AGREEMENTS

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U.S. - RUSSIAN
COMMERCIAL
SPACE LAUNCH
AGREEMENT

U.S. - PRC
COMMERCIAL
SPACE LAUNCH
AGREEMENT

JOINT STATEMENT
THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND
THE RUSSIAN FEDERATION
REGARDING INTERNATIONAL TRADE IN COMMERCIAL
SPACE LAUNCH SERVICES

The Government of the United States of America and the Government of the Russian Federation (hereinafter the "Parties"), Recalling the contributions of all space-faring nations in developing space launch industries,

Taking note of the importance of access to space for peaceful purposes,

Recognizing the utility of developing multilateral principles for government involvement in commercial space launch activities,

Bearing in mind that the Russian space launch sector is in the process of transition to operation based on market principles, and

Desiring to facilitate early Russian entry into the international commercial space launch market in a manner that encourages market-oriented reform in the Russian economy, including its space-launch sector; permits Russian entities to offer commercial space launch services to international customers at fair and reasonable prices, consistent with market principles; and does not disrupt the international market for commercial space launch services,

Have agreed as follows:

Commercial Space Launch Agreement (CSLA)

1. Statement is appropriate in that this is the first CSLA with Russia
2. Specifies launch services to "international customers" early in the Agreement

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA REGARDING INTERNATIONAL TRADE IN COMMERCIAL LAUNCH SERVICES

I. PURPOSE

The Government of the United States of America (U.S.) and the Government of the People's Republic of China (PRC) have entered into this Memorandum of Agreement (Agreement), of which the attached Annex is an integral part, to address certain issues regarding international trade in commercial launch services including entry in an appropriate manner of the PRC into the international market for commercial launch services.

II. TRADE ISSUES AND MARKET ENTRY

The Delegation of the People's Republic of China and the Delegation of the United States of America held two rounds of negotiations in Beijing and Washington, D.C. As a result of these discussions, the parties have agreed that certain measures are appropriate to address certain issues regarding international trade in commercial launch services, including entry in an appropriate manner of PRC providers of commercial launch into the international market for commercial launch services. Accordingly, the U.S. and the PRC have agreed as follows:

a. The U.S. and the PRC support the application of market principles to international competition among providers of commercial launch services, including the avoidance of below-cost pricing.

1. Clear statement of purpose
2. Definitions are outlined in an attached Annex vice an article in the Agreement (Reference Russian CSLA)
3. Appropriate for first agreement but not for a follow-on agreement
4. Reads more like a reporting cable instead of a formal agreement

ARTICLE I DEFINITIONS

For the purposes of this Agreement,

1. "Commercial space launch services" means the commercially offered or provided services to launch into space any spacecraft or satellite, including but not limited to communications satellites, for an international customer;
2. "Russian space launch service providers" means any entity, or agent or instrumentality acting on its behalf, permitted by the Government of the Russian Federation to provide commercial space launch services or the space launch vehicles for such services;
3. "International customer" means any person or any kind of corporation, company, association, venture, partnership, or other entity, whether or not organized for pecuniary gain, or privately or governmentally owned or controlled; or any governmental body, excluding the Government of the United States of America and the Government of the Russian Federation; or any intergovernmental organization or quasi-governmental consortium, including but not limited to INTLSAT, IMPART and their respective legal successors, that is the ultimate owner or operator of a spacecraft or satellite or that will deliver the spacecraft or satellite to orbit for use by such ultimate owner or operator;
4. "Contract" means (i) to agree or commit to the provision of commercial space launch services such that a launch

government inducements, and unfair trade practices.

5. To bring about entry in an appropriate manner, the PRC shall take steps to ensure that providers of commercial launch services controlled by or operating within the territory of the PRC do not materially impair the smooth and effective functioning of the international market for commercial launch services.
- (i) Among these steps, the PRC shall ensure that any direct or indirect government support extended to its providers of commercial launch services is in accord with practices prevailing in the international market.
- (ii) The PRC shall require that its providers of commercial launch services offer and conclude any contracts to provide commercial launch services to international customers at prices, terms, and conditions which are on a par with those prices, terms, and conditions prevailing in the international market for comparable commercial launch services.
- (iii) The PRC agrees that it will prevent its providers of commercial launch services from offering introductory or promotional prices for launch services except for the first or, in extraordinary circumstances, second successful commercial launch of a new launch vehicle. In this regard, promotional prices will not be offered for launches on the Long March 11E or 11I under any contract other than the contract for the successful launch of the Auzsat B-1 and B-2 satellites.
- (iv) The PRC agrees to require its launch service or

3. Definitions are outlined within the text of the Agreement vice an Annex as in the China CSLA
4. Specifically does not limit communication satellites
5. In the PRC CSLA there is no comparable definition for "Chinese space launch service providers"
6. The emphasis here is "contract" vice "commitment" as outlined in the PRC CSLA

5. Outlines specifically PRC actions (PRC shall) vice "the Parties shall" as in the Russian CSLA
6. "Contract" is not defined in the PRC Agreement unlike the Russian CSLA
7. Pricing and terms that are "on a par" vice specific percentage as in the CSLA (Russian)
8. "Comparable commercial launch services" is not defined
9. "Promotional pricing" is not included in Russian CSLA

is effectively removed from competition in the international market, or (ii) any such agreement or commitment.

7. "Comparable commercial space launch services" means commercial space launch services offered to launch a spacecraft of the weight class that is the subject of a launch competition, taking into consideration specific factors that may be considered when evaluating the price, terms and conditions of such services, including, but not limited to, intended orbit, risk management, financing, satellite lifetimes on orbit and integration costs.

8. "Inducements" means any incentive offered or provided to influence the purchase of commercial space launch services, including, but not limited to, the provision of any resources of commercial value unrelated to the launch service competition as well as offers to participate under favorable conditions in the implementation of defense and national security policies and programs, and development assistance policies and programs.

9. "Unfair business practices" includes the making of any offer, a payment, a promise to pay, a promise or offer of anything of value or to authorize the payment of anything of value, or any promise to make such payment, to any official, individual, or any other entity for the purpose of obtaining or retaining business for or with, or directing business to, any person/ including making payment to a person while knowing that all or a portion of the payment will be offered, given or promised, directly or indirectly, to any official, individual or

7. "Comparable commercial space launch service" is unique to Russian CSLA in that it has definition. It is only mentioned in the PRC CSLA in Art II(b)(ii)
8. "Unfair business practices" is not defined in the PRC CSLA

insurance providers to offer international customers any insurance or reflight guarantees on a par with prevailing rates and practices in international markets for comparable risk.

10. In view of the concerns about the launch services market expressed by several countries, the PRC expressed its understanding. The PRC explained that, China has a limited capability of manufacturing launch vehicles. In addition to meeting the needs of domestic Chinese satellite launches, its providers of commercial launch services are only able to offer a limited number of communications satellite launches each year for international customers. Chinese launch services, therefore, are only a supplement to the world market, providing international customers with a new option.

After mutual and friendly consultations, the U.S. and the PRC agreed:

11. PRC providers of commercial launch services shall not launch more than 9 communications satellites for international customers (including the two AUSAT and one ASIATAT satellites) during the period of this Agreement, and
12. The PRC shall require that any commitments to provide commercial launch services to international customers by PRC launch service providers are proportionately distributed over the period of the Agreement.
13. To this end, the PRC shall prevent a disproportionate
- 14.

10. China is working on 5 new launch designs that may be used during the follow-on Agreement
11. China shall not "launch" vice "contract for launch" Russian CSLA
12. Launches must occur during the Agreement, unlike the Russian CSLA
13. Specification of "a communication satellites"; a vice (Russian CSLA); emphasis on COMSATS; no exceptions mentioned; no mention of dual-manifesting
14. "Proportionately distributed" vice "no more than 2 per 12 month period"

is effectively removed from competition in the international market, or (ii) any such agreement or consultant.

5. "Comparable commercial space launch services" means commercial space launch services offered to launch a spacecraft of the weight class that is the subject of a launch competition, taking into consideration specific factors that may be considered when evaluating the price, terms and conditions of such services, including, but not limited to, intended orbit, risk management, financing, satellite lifetime on orbit and integration costs.

6. "Inducements" means any incentive offered or provided to influence the purchase of commercial space launch services, including, but not limited to, the provision of any resources of commercial value unrelated to the launch service competition as well as offers to participate under favorable conditions in the implementation of defense and national security policies and programs, and development assistance policies and programs.

7. "Unfair business practices" includes the making of any offer, a payment, a promise to pay, a promise or offer of anything of value or to authorize the payment of anything of value, or any promise to make such payment, to any official, individual, or any other entity for the purpose of obtaining or retaining business for or with, or directing business to, any person, including making payment to a person while knowing that all or a portion of the payment will be offered, given or promised, directly or indirectly, to any official, individual or

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10. —————→

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13. Specification of "a communication satellites"; a vice (Russian CSLA); emphasis on COMSATS; no exceptions mentioned; no mention of dual-manifesting

14. "Proportionately distributed" vice "no more than 2 per 12 month period"

any other entity for the purposes of obtaining or retaining business.

8. "Geosynchronous earth orbit" means an orbit approximately 19,400 nautical miles (35,800 kilometers) above the surface of the earth at the equator in which a payload completes one Earth orbit in a 24-hour period, holding a fixed position relative to the Earth.

9. "Geosynchronous transfer orbit" means a temporary orbit used to reposition a spacecraft or satellite into a geosynchronous Earth orbit.

10. "Low earth orbit" means an orbit approximately 100 to 1,000 nautical miles (185 to 1,850 kilometers) above the surface of the Earth.

11. "Principal payload" means a telecommunications satellite or, in the absence of a telecommunications satellite, any other spacecraft or combination of spacecraft.

ARTICLE II SCOPE

This Agreement applies to commercial space launch services for launches to geosynchronous earth orbit or geosynchronous transfer orbit. Except for the pricing provision set forth in

Article V, paragraph 2, this Agreement applies to commercial space launch services for launches to other orbits and suborbital launches. Nothing in this Agreement applies to launches of payloads for military purposes or for use in the non-commercial.

9. Definition given to GEO, GTO, LEO and Principal Payload.
10. Principal payload gives definition to other than COMSATS. It also recognizes the possibility of double manifesting.
11. Noted exception to the pricing standard (7.5%) for launches to other orbits and sub-orbital launches

15. concentration of such commitments during any twelve period of the Agreement. The PAC may make commitments in any 3-year period of the Agreement consistent with subparagraph (1) above. The PAC shall also require that PAC launch service providers shall not commit at any time to launch in any calendar year covered by the Agreement more than twice the average annual number of launches permitted under subparagraph (1) above. The PAC shall seek to ensure that PAC launches of communications satellites for international customers, etc performed as scheduled in the original launch commitment.

d. The U.S. stated that the U.S. does not provide government inducements of any kind in connection with the provision of commercial launch services to international customers which would create discrimination against launch service providers of other nations and has no intention of providing such inducements in the future. Accordingly, the PAC stated it agreed not to offer inducements of any kind in connection with the provision of commercial launch services to international customers which would create discrimination against launch service providers of other nations.

III. NON-DISCRIMINATION

1. The U.S. stated that U.S. providers of commercial launch services do not discriminate unfairly against any international customers or suppliers and that it is not U.S. Government policy

15. "Anti-bunching" provision is different from that outlined in the Russian CSLA
16. This paragraph would be better stated as outlined in Article II of the Russian CSLA
17. In the Russian CSLA it indicates both "international customers" or "potential international customers"

civilian space programs of either Party, including programs using spacecraft or satellites made by and primarily for the use of members of the Commonwealth of Independent States and which are entered in accordance with existing cooperative agreements.

ARTICLE III GENERAL PRINCIPLES

1. The Parties shall endeavor to ensure the application of market principles to international competition among providers of commercial space launch services, including the avoidance of below-cost pricing and unfair trade practices.

2. Neither Party shall engage in practices that distort competition among providers of commercial space launch services, including, but not limited to:

a. the provision of grants or subsidies that distort the production or operation costs for suppliers of commercial space launch systems;

b. the provision of inducements to international customers or potential international customers for commercial space launch services;

c. the offering of additional services such as insurance or reflight guarantees except on a par with prevailing rates and practices in international markets for comparable risks;

d. the provision of government-supported financing for commercial space launch vehicles or services except in accord

13.

12. Unique provision to the Russian CSLA that specifically exempts payloads for military purposes, non-commercial civilian space programs, and satellite primarily to support the CIS.

13. Only statement of "on a par" in the CSLA

to encourage any such unfair discrimination by U.S. providers of commercial launch services.

2. Accordingly, in implementing its commitments under this Agreement, the PRC shall require that its providers of commercial launch services not discriminate unfairly against any international customers or suppliers.

IV. CONSULTATIONS

1. The PRC and U.S. will consult annually with respect to the obligations in this Agreement and related matters, including the nature and extent of direct and indirect government support provided to commercial launch services providers and developments in the international market for commercial launch services.

2. In addition, each party undertakes to enter into consultations within thirty (30) days of a request by the other party to discuss matters of particular concern.

3. During annual consultations, the limitation on the total number of communications satellites that may be launched by PRC providers of commercial launch services may be reconsidered upon request of the PRC in light of unforeseen developments in the commercial launch services market. A U.S. decision on such a request shall be made within thirty (30) days after the completion of the annual consultations.

4. The U.S. and the PRC agree to work toward a common understanding of the application of market principles to prices, terms, and conditions of commercial launch services for international

18.

19.

18. Special consultation isn't specifically called out except that each party undertakes to enter consultations within 30 days (unspecified in Russian CSLA) upon request

19. Russian CSLA is a clear formulation of the actions needed to increase the quota (Article VII (4)). (Note emphasis on communication satellites in PRC CSLA.)

with the terms of the OECD's "Arrangement on Guidelines for Officially-Supported Export Credits."

3. The Parties, including their agents and instrumentalities, shall not engage in unfair business practices to secure contracts to provide commercial space launch services. Each Party shall also endeavor to ensure that any entity or organization, subject to its jurisdiction whether or not owned or controlled by that Party, shall not engage in corrupt business practices to secure contracts to provide commercial space launch services.

ARTICLE IV

QUANTITATIVE LIMITS

1. During the term of this Agreement, Russian space launch service providers may contract with international customers to provide commercial space launch services for the launch of up to eight (8) principal payloads (in addition to the INMARSAT satellite) to geosynchronous earth orbit or geosynchronous transfer orbit, except that the Russian space launch service providers may not conduct more than two (2) such launches in any twelve-month period. The Russian Federation will ensure a proportionate distribution of contracts by Russian space launch service providers within any two-year period.
2. Up to four launches of principal payloads to geosynchronous earth orbit or geosynchronous transfer orbit may consist of two principal payloads on a single launch vehicle.

14. Would this same provision referencing OECD's "Arrangement on Guidelines for officially-supported Export Credits" be applicable to a PRC CSLA

15. Contract for launch vice launch as outlined in the PRC CSLA

16. Specifies 8 "principal payloads" to GEO vice COMSATS

17. Exclusion of INMARSAT 3

18. Anti-bunching provision

19. Recognized possible double manifesting and allows up to four launches with two principal payloads each

customers.

3. To facilitate the annual consultations, the U.S. and the PRC agree to exchange information as follows:

(a) The U.S. shall each year in advance of such consultations provide to the PRC such publicly releasable information as it possesses with respect to prices, terms and conditions prevailing in the international market for commercial launch services.

(b) The PRC shall each year in advance of such consultations provide comprehensive information to the U.S. regarding prices, terms, and conditions offered by PRC providers of commercial launch services for the launch of satellites licensed by the U.S. The PRC may also provide other information that it believes may have a material effect on pricing practices of PRC providers of commercial launch services.

(c) The PRC may request that the U.S. provide additional publicly releasable information with respect to international prices, terms and conditions, and may in addition request U.S. views regarding prevailing international market conditions and likely future developments, as well as government supports or inducements. The U.S. shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, the U.S. shall provide such information in summary form.

(d) The U.S. may request additional information with respect to the prices, terms, and conditions offered by PRC providers

20. In practice did each party provide information prior to the annual consultations?

21. Russian CSLA (Art VII(1)) provides a better formulation of how and when information should be exchanged

The Parties shall jointly evaluate each such launch on a case-by-case basis and, taking into account the current situation in the international commercial space launch market, may decide by mutual agreement to treat that launch as a single principal payload for the purpose of Article IV, paragraph 1.

3. During the term of this Agreement, Russian space launch service providers may contract to provide commercial space launch services for up to three (3) launches of satellites to low earth orbit for the Iridium system.

4. In the course of consultations under Article VII, paragraph 1, the Parties shall consider jointly on a case-by-case basis and decide by mutual agreement on proposals by Russian space launch service providers for commercial suborbital launches and additional commercial launches to orbits other than geosynchronous earth orbit, geosynchronous transfer orbit, and low-earth orbit for the Iridium system, where there are competing comparable commercial space launch services.

ARTICLE V PRICING

1. The contractual terms and conditions, including the price, of commercial space launch services offered or provided by Russian space launch service providers to international customers shall be comparable to the terms and conditions, including prices, for comparable commercial space launch services offered

20. Exclusion of three launches of Iridium satellites to LEO
21. Unlike the PRC CSLA, this Agreement acknowledges LEO launches and treats them on a case-by-case basis
22. Important caveat that distinguish whether a LEO launch, will have to be addressed by both Parties
23. "Comparable commercial space launch services" is defined in Article 1.

of commercial launch services and any PRC government supports or inducements. The PRC shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, the PRC shall provide such information in summary form.

(e) The U.S. and the PRC shall keep all information received from each other under this paragraph strictly confidential and shall not provide it to any other government or any private person without the written consent of the other.

6. The U.S. and the PRC shall also provide each year, in advance of annual consultations information on a consolidated basis concerning the commitments their launch service providers have undertaken to provide commercial launch services for international customers. This information may be made publicly available.

7. If a launch of a communications satellite for an international customer will not be performed as scheduled, the PRC shall notify the U.S. regarding the reasons for the delay and the new date for the launch as soon as possible.

8. It is understood that the U.S. and the PRC will review the information contained in this Article during annual consultations in the context of developments in the international market for commercial launch services.

V. CLARIFICATION OF RIGHTS AND OBLIGATIONS

1. If, after friendly consultations with the PRC, the U.S. determines that there is clear evidence that the provisions of

22. Provision outlined in para IV(6) is not in the Russian CSLA
23. Provision outlined in para IV(7) is not in the Russian 'CSLA

by commercial space launch services providers from market economy countries, including the United States.

2. A bid or offer by Russian space launch service providers to provide commercial space launch services at a price more than seven and one-half (7.5) percent below the lowest bid or offer by a commercial space launch service provider from a market economy country, including the United States, shall require special consultations between the Parties under Article VII, paragraph 2, of this Agreement.

ARTICLE VI

TECHNOLOGY CONTROLS

1. Notwithstanding any other provision of this Agreement, the Parties shall negotiate and conclude prior to each launch a satisfactory technology safeguards agreement for each payload subject to a United States export license. Such technology safeguards agreement will be intended to facilitate the issuance of United States export licenses and shall include requirements relating to the control of the transfer of missile technology.

2. Any application for a United States export license will be reviewed on a case-by-case basis consistent with United States laws and regulations. Nothing in this Agreement shall be construed to mean that the United States is constrained from taking appropriate action with respect to any United States export license. The United States will use its best efforts to assure, consistent with United States laws and regulations,

24.

this Agreement have been violated, the U.S. reserves its right to take any action permitted under U.S. laws and regulations. The U.S. shall seek to avoid actions inconsistent with this Agreement.

2. With regard to export licenses, any application for a U.S. export license will be reviewed on a case-by-case basis consistent with U.S. laws and regulations. Nothing in this Agreement shall be construed to mean that the U.S. is constrained from taking any appropriate action with respect to any U.S. export license, consistent with U.S. laws and regulations. Nevertheless, the U.S. will do its utmost to assure, consistent with U.S. laws and regulations, continuity of issued license(s) and the completion of the transactions covered in such license(s).

VI. DISCUSSIONS ON INTERNATIONAL RULES

The U.S. and the PRC are prepared to enter into discussions with other interested parties on comprehensive international rules with respect to government involvement in, and other matters relating to, the international market for commercial launch services. It is understood, however, that nothing in this Agreement shall prejudice any position on any issue that either the U.S. or the PRC may take in those discussions.

VII. COMPREHENSIVE REVIEW

The U.S. and the PRC shall engage in a comprehensive review of the terms and operation of this Agreement beginning in September 1991.

24. 7.5% vice "on par" outlined in the PRC CSLA

25. Technology Controls is unique to the Russian CSLA and calls for the development of a technology safeguards agreement. It also outlines provisions for the review of each export license.

24. Para VI is unique to the PRC CSLA

authorization and completion of technology transfers subject to this Agreement.

ARTICLE VII CONSULTATIONS

1. The Parties shall hold regular consultations on an annual basis to review and examine implementation of the Agreement and market developments in commercial space launch services.
2. The Parties shall hold special consultations on an urgent basis, prior to the conclusion of a contract for commercial space launch services if possible, at the request of either Party, if that Party has reason to believe that such contract or pending contract is inconsistent with the terms of this Agreement.
3. If, after consultations provided for under this Article, either Party determines that the provisions of this Agreement have been violated by the other Party, each Party reserves its right to take any action permitted under its national laws and regulations.
4. If, in the course of the annual reviews provided in paragraph 1 of this Article, the Parties agree that the market for commercial space launch services has developed more favorably than anticipated and if each Party is satisfied with the other Party's compliance with terms of this Agreement, the Parties set

— 27 —

26. Special note of "special consultations". No time specified as in the PRC CSLA, but noted: "on an urgent basis."
27. Both the Russian and PRC CSLA make provisions to change the quotas. The notification and implementation however, are characterized differently.

VIII. ENTRY INTO FORCE

25. This Agreement shall enter into force upon notification by the Government of the United States of America to the Government of the People's Republic of China that a U.S. license for the export of the ASIASAT or AUSAAT satellite(s), or any other satellite, to the People's Republic of China for launch therein, has been approved. Unless extended by agreement of the PRC and the U.S., this Agreement shall terminate on December 31, 1994. It may be terminated at any time by mutual agreement if subject to an international agreement on government involvement in, and other matters relating to, the international market for commercial launch services or under such other circumstances as may be mutually agreed.
26. —

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington, D.C., in duplicate, in the English and Chinese languages, both texts being equally authentic this twenty-sixth day of January, 1989.

For the Government of the
United States of America

Alan R. Hoffman

For the Government of the
People's Republic of China

Li Jing

25. Entry into force is based upon notification of license approval vice upon signature as outlined in the Russian CSLA
26. Agreement may be "terminated at anytime" vice a review three years after signature and then possible termination as outlined in the Russian CSLA

forth in Article IV of this Agreement may be increased, by written agreement of the Parties.

ARTICLE VIII INFORMATION EXCHANGE

1. The Parties shall exchange all information, including prices, terms and conditions offered for commercial space launch services, that is necessary to monitor implementation of the Agreement and carry out regular and special consultations. Such information shall be provided promptly, in any case no later than 30 days after receipt of a request by the other Party for such information, except that such information need not be provided prior to bids for commercial space launch services.

2. Parties shall protect the confidentiality of information exchanged, shall not use any such information for pecuniary gain and shall not release such information to third parties.

ARTICLE IX

TERM AND REVIEW

1. This Agreement shall enter into force upon signature and remain in force until December 31, 2000.

2. The Parties shall review the implementation of this Agreement after three years from its entry into force. Following such review, the Parties may, by mutual written agreement, terminate this Agreement.

28. Article VIII is unique to the Russian CSLA

29. Agreement shall enter into force "upon signature" vice notification o license approval as outlined in the PRC CSLA

30. Agreement may be terminated after three years (mutual agreement) vice "terminated at anytime as outlined in the PRC CSLA

27.

ANNEX

The following agreed definitions constitute an integral part of the Memorandum of Agreement Between the Government of the United States of America and the Government of the People's Republic of China Regarding International Trade in Commercial Launch Services of January 26, 1989.

28.

1. The term "commercial launch services" refers to any commercially provided launch of any satellite, including communications satellites, for an international customer.

29.

2. The term "communications satellite" refers to any satellite which is a primary payload of a launch, and which provides telecommunications services. It refers primarily to, but is not limited to, communications satellites in geostationary orbit.

3. The term "international customer" refers to the following:

- (a) any institution of business entity, other than those institutions or entities located within the territory of the PRC and owned or controlled by PRC nationals; or
- (b) any government other than that of the PRC; or
- (c) any international organization or quasi-governmental consortium;

27. Annex of Definitions vice embodied in the text of the Agreement as in the Russian CSLA

28. Russian CSLA reads ".... refers to any commercially offered or provided including but not limited to.

29. The PRC CSLA again emphasizes COMSATS. Absent from the PRC CSLA is a definition of "launch service providers."

which is the ultimate owner or operator of a satellite or which will deliver the satellite to such ultimate owner or operator.

30. —————→

4. The term "practices prevailing in the international market" in Article 11 (b)(i) refers to practices by governments of market economies.

5. The term "prices, terms, and conditions prevailing in the international market for comparable launch services" in Article 11 (b)(ii) includes but is not limited to prices, financing terms and conditions and the schedule for progress payments offered to international customers by commercial launch service providers in market economies.

6. Government "inducements" with respect to particular launch services transactions include, but are not limited to, unreasonable political pressure, the provision of any resources of commercial value unrelated to the launch service competition and offers of favorable treatment under or access to defense and national security policies and programs, development assistance policies and programs, and general economic policies and programs. (e.g., trade, investment, debt, and foreign exchange policies).

31. —————→

7. The term "commitment" means any agreement by an international customer with PAC providers of commercial launch services to launch a communications satellite, which effectively removes the

30. "practices prevailing in the international market" vice "comparable commercial space launch services" as outlined in the Russian CSLA

31. Different term "commitment" vice "contract" as outlined in the Russian CSLA. Commitment goes so far as explaining that it does not include launch reservation agreements

3. Either party may request negotiations to amend the terms of this Agreement to take account of developments in the international market for commercial space launch services and progress in the transition of Russia's space launch sector to a market basis.

4. Any contract entered into pursuant to this Agreement will continue to be subject to the provisions of this Agreement even if the duration of the contract extends beyond the expiration date of this Agreement. Termination of this Agreement will not affect contracts entered into pursuant to this Agreement.

DONE at Washington this second day of September, 1993, in duplicate in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION:

Al Gore

[Signature]

launch from international commercial competition. The term "commitment" does not include reservation agreements.

32. —————→

32. There is no definition of "Geosynchronous earth orbit", "Geosynchronous Transfer Orbit", "low earth orbit" or "principal payload"